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FISCAL IMPACT STATEMENT

LS 7380

BILL NUMBER: HB 1523

NOTE PREPARED: Feb 18, 2013

BILL AMENDED: Feb 18, 2013

SUBJECT: Moped Operation and Licensing.

FIRST AUTHOR: Rep. Smith M

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill has the following provisions:

- (1) Repeals the term "motorized bicycle" and replaces the term with "moped".
- (2) Defines "motor driven cycle".
- (3) Authorizes the Bureau of Motor Vehicles (BMV) to adopt rules concerning registration of mopeds and motor driven cycles and requires registration for mopeds and motor driven cycles, with a registration fee equal to that of a motorcycle.
- (4) Requires that certain funds received from the registration of a moped and motor driven cycle be deposited in the Motorcycle Operator Safety Education Fund.
- (5) Provides that a motor driven cycle and moped are not required to be titled with the BMV.
- (6) Provides that mopeds and motor driven cycles are subject to county motor vehicle excise surtax and motor vehicle excise tax.
- (7) Provides that a moped may not be operated when carrying more persons than the moped is designed and equipped to carry.
- (8) Requires the operator of a moped and motor driven cycle to obey all applicable motor vehicle laws, and that a moped may not be operated at a speed over 30 miles per hour.
- (9) Provides that a moped and a motor driven cycle must be operated in the right-hand lane, except when making a left-hand turn.
- (10) Requires the operator of a motor driven cycle to hold a driver's license to operate a motor driven cycle.
- (11) Requires a dealer who sells at least 12 mopeds or motor driven cycles a year to register as a dealer with the Secretary of State.
- (12) Does not require the operator of a moped, but requires the operator of a motor driven cycle, to have proof

of financial responsibility in effect on the motor driven cycle.

(13) Repeals the term "motor scooter".

(14) Makes conforming changes, technical corrections and repeals outdated language concerning a study topic of the Joint Study Committee on Transportation and Infrastructure Assessment and Solutions.

Effective Date: July 1, 2013.

Explanation of State Expenditures: (Revised) *Summary:* This bill could increase the workload of the BMV to title and register mopeds and motor driven cycles in the state. The bill could also increase the workload of the Secretary of State to provide oversight of motor driven cycle and moped dealers in the state. Increases in workload and expenditures are within the routine administrative function of the BMV and the Secretary of State and could also be offset by revenue collected from fees.

(Revised) *Additional Information:*

Registration of Mopeds and Motor Driven Cycles: Requiring registration for mopeds and motor driven cycles may increase associated expenditures for the BMV. The BMV does not register these vehicles currently. However, any additional expenditure is likely to be minimal.

Titling Mopeds and Motor Driven Cycles: The bill specifies that the owner of a moped or motor driven cycle may request a title. The BMV reports that owners can currently request a title. Granting owners the ability to request a title is expected to have no fiscal impact.

Explanation of State Revenues: (Revised) *Summary:* This bill could increase state revenue from the following sources:

(1) Moped and motor driven cycle registration fees, which are deposited in the Motor Vehicle Highway Account (MVHA), Public Safety Fund, Motorcycle Operator Safety Education Fund, Crossroads 2000 Fund, BMV Technology Fund, Anti-Terrorism Fund, BMV Commission Fund, and Spinal Cord and Brain Injury Fund.

(2) Moped and motor driven cycle dealer fees, which are deposited in the Secretary of State Dealer Compliance Account and the MVHA.

(3) Insurance premium taxes, which are deposited in the state General Fund.

This bill also adds new Class C infractions. As a result, the state could see additional revenue from fines.

(Revised) *Additional Information:*

The total number of mopeds and motor driven cycles in the state is unknown, but should account for a small proportion of the total number of operating motor vehicles in the state. In CY 2012 the BMV completed approximately 216,000 motorcycle registration transactions (with an engine size that is greater than 50 cubic centimeters) and received approximately \$5.6 M in revenue from these transactions.

Registration: By requiring mopeds and motor driven cycles to register in the state at the same fees as motorcycles, this bill could increase state revenue. The bill specifies that a portion of registration fees are deposited in the Motorcycle Operator Safety Education Fund; however, currently this fund receives \$7 of the motorcycle registration fee.

The bill's impact on state revenue will depend on how many mopeds and motor driven cycles are registered annually. The annual registration fee for motorcycles is \$26.05. For every 3,000 mopeds that would be required to register in the state, this bill is estimated to increase state revenue by \$78,150 per year from registration fees. The table below shows the distribution of the \$26.05 fee.

Distribution of Annual Registration Fee	Fee	Est'd Revenue
Motor Vehicle Highway Account (MVHA)	\$8.75	\$26,250
Public Safety Fee	\$0.25	\$750
Motorcycle Operator Safety Education Fund	\$7.00	\$21,000
Crossroads 2000 Fund	\$3.00	\$9,000
BMV Technology Fund	\$0.50	\$1,500
Anti-Terrorism	\$1.25	\$3,750
Bureau of Motor Vehicles Commission (BMVC)	\$5.00	\$15,000
Spinal Cord Brain Injury Fund	\$0.30	\$900
TOTAL	\$26.05	\$78,150

New Criminal Penalties: Under the bill, individuals will only be allowed to operate a moped or motor driven cycle in the right-hand lane of traffic, except under specified conditions. Additionally, the bill specifies that a moped and motor driven cycle cannot carry more persons than the vehicle is designed to carry at one time. These violations are punishable as a Class C infraction. The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund.

Financial Responsibility Requirement: Currently, the number of motor driven cycle operators who carry insurance coverage is not known. This bill may result in an increase in the number of insurance policies issued to motor driven cycle operators. To the extent this occurs, the state will receive additional revenue from taxes paid on insurance premiums. Revenue received from the insurance premium tax is distributed to the General Fund. Actual increases in state revenue from insurance premiums are indeterminable.

For FY 2012, the insurance premium tax collected approximately \$203 M in revenue.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Summary:* This bill could increase local revenue from (1) motor vehicle excise taxes and (2) county motor vehicle excise tax surtax. Increases in local revenue are indeterminable.

(Revised) *Additional Information:*

Motor Vehicle Excise Tax: Under this bill, mopeds and motor driven cycles would be subject to motor vehicle excise tax. It is assumed that all mopeds and motor driven cycles would fall into the \$12 excise tax category. Excise tax could amount to about \$36,000 per year for each 3,000 mopeds registered.

About two-thirds of the additional revenue would benefit local government units and school corporations while one-third would be captured by the state as part of the property tax reform that took effect in 2009.

County Motor Vehicle Excise Tax Surtax: The bill would also subject mopeds and motor driven cycles to the county excise surtax. Currently, 47 counties impose the surtax. The rate is a flat amount in 32 of those counties, and it is based on a percentage of the pre-1996 excise tax schedule in the other 15 counties. The minimum surtax in each county is \$7.50. Each moped or motor driven cycle registered in an adopting county would be subject to the surtax.

If 3,000 mopeds and motor driven cycles are registered in the state and half are registered in adopting counties, the additional surtax revenue would range from \$11,250 to \$37,500 annually. The excise surtax is distributed to cities, towns, and counties based on the formula for the Local Road and Street Account.

Penalty Provision: If additional court actions are filed and a judgment is entered for Class C infractions, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected: Secretary of State, BMV.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Mark Goodrich, BMV.

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